

House Republican Press Release

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Rep. Sherer Opposes \$31-Billion Two-Year Budget



Says Legislature Spends Too Much, Sets Aside Little in Rainy Day Fund, Concludes that Tax Hikes Send a Message, "Move to Another State"

State Representative Donald B. Sherer (R-147th District) has voted against a proposed \$31-billion, two-year budget that increases state spending by 12.2 percent over the next two years.

Particularly, he criticized the budget for reinstating the Connecticut death tax on estates above \$2 million and adding a 20 percent surcharge on corporate income taxes.

Rep. Sherer said, "This budget sends a message to people who have saved all their lives, 'Move elsewhere.' It tells businesses, 'Take your jobs somewhere else.'"

"Connecticut is still recovering the 156,000 jobs lost in the 1989-1993 economic slowdown," added Rep. Sherer. "Connecticut is still lagging the nation in job growth, income growth and job creation. We should encourage businesses to come here, not send them away to other state and other nations."

Rep. Sherer said one bright spot in the budget is that transportation funds are on target to replace the 342 aging commuter rail cars on the Metro-North commuter line, one of the nation's busiest.

"Transportation is one area where Fairfield County may eventually see some returns for our tax dollars," said Rep. Sherer. "In most other areas, the budget spends too much, taxes too much and provides negligible improvements in services."

Rep. Sherer was extremely disappointed that virtually all the projected \$700 million surplus from the current fiscal year was utilized by the Democratic leadership to fund general budget items, with little retained in the state Rainy Day Fund.

He said, "It is astonishing that, after all the state has been through, that about 90 percent of this surplus is being spent on various programs and only \$70 million will be returned to the state Rainy Day Fund for future emergencies. This is a glaring example of uncontrolled spending practices."

Rep. Sherer said the legislature is not being honest about honoring the state spending cap that is supposed to limit annual spending increases to about four to five percent a year. Rep. Sherer noted that about \$600 million in proposed expenditures are excluded from spending cap calculations, including a new nursing home tax.

Rep. Sherer also criticized the legislature's failure to restore the annual \$500 property tax credit that taxpayers receive when filing their annual state income tax returns. The \$500 credit was reduced during fiscal hard times a few years ago to \$350. The credit is scheduled increase to \$400 in 2006.

Further, Rep. Sherer questioned the inclusion of an \$18-million slush fund for which no uses have been identified and which will be allocated at the direction of the House and Senate Democratic leadership.

Rep. Sherer concluded, "I cannot support a budget that raises spending above the constitutional cap, increases taxes and cheats the taxpayers of Connecticut."